THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHAR MURTHY): (a) to (f). To keep a close watch on behaviour of prices Government have set up the followings:

(i) Cabinet Committee on prices.

(ii) Special Action Committee of Secretaries on monitoring of prices.

(iii) Inter-Ministrial Coordination Committee for Monitoring and Forecast of Supply and Prices of essential commodities. These bodies meet at regular intervals to assess the emerging price situation and to decide upon the measures to meet the situation some of the steps taken recently include:

i. Placing of sugar and cotton on OGL with zero import duty.

ii. Placing of import of palmolein on OGL with 65% duty.

iii. Continuation of open market sale of wheat and rice by FCI with a view to dampen the rise in foodgrain price.

iv. Strict monitoring of the growth of fiscal deficit and money supply.

Customs Duty on Antibiotics

6456. SHRI JAGIR SINGH DARD: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that intermediate use of manufacturing of anti-biotics, except Erthromycin Thiocyanate, carry concessional rate of customs duty of 50 per cent against 98 per cent;

(b) whether it also a fact that Erthromycin Thiocyanate carried a customs duty of 80 per cent + CVD in the last Financial year; and

(c) the reasons for discrimination which has led to increase in customs duty on this intermediate only?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHAR MURTHY): (a) No, Sir. Only specified chemicals for manufacture of antibiotics attract concessional customs duty of 50% and countervailing duty of 20%.

(b) and (c). Erythromycin Thiocyanate carried a customs duty of 50% + CVD in last financial year. In this year's budget, the customs duty structure on drugs and drug intermediates/raw materials was rationalised with a view to provide a graded duty structure by prescribing lowest rates for the basic raw materials and the highest rate for the penultimate stage drug intermediates to encourage production of bulk drugs from more basic stage in the country. This has resulted in increase in customs duty on Erythromycin Thiocyanate and several other drug intermediates.

Strike by Bankers Employees

6457. SHRI IQBAL SINGH: Will the Minister of FINANCE be pleased to refer to answer to Starred Question 321 given in the Rajya Sabha on the 19th April, 1994 and state:

(a) what action Government propose to take against the employees of RBI who went on mass casual leave and against the employees of banks who went on strike on the 8th April, 1994; and

(b) what steps Government propose to take to avoid such strikes in future?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHAR MURTHY): (a) and (b). Reserve Bank of Inida has reported that it proposes to effect wage cut in respect of those employees who participated in the mass casual leave programme on 8.4.94. It also proposes to take disciplinary action against all such employees of the bank who had caused/ incited indiscipline or behaved in an unruly manner, under the relevant

provisions of the staff regulations of the bank. In respect of employees of the public sector banks, instructions have already been issued to apply wage cut for the day of the strike.

It has always been the endeavour of the Government and the Indian Banks' Association to mutually sort out the problems with the banks employees through negotiations across the table. Government have always accepted the reasonable demands of the banks employees. In pursuance to this policy, rencently a package was worked out and agreed to between the banks managements and the employees unions which will cost the industry additional Rs. 500 crores. The unions/associations are, however, resorting to rather unreasonable attitude and striking work on flimsy grounds. In the month of May 1994, alone, there have already been two strikes by different sections of bank employees and notices for two more have been received. Another two day strike is slated for first week of June 1994. The Indian Banks' Association have taken steps to bring the bank employees to see reason. With this end in view the Indian Banks' Association is also trying to educate the people through press releases, advertisement, etc. Recently, it is reported that the IBA has addressed letters to the Members of Parliament clearly indicating the factual position.

Losses Incurred by Bank of India

6458. SHRI MATANG SINH: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Bank of India has incurred a total loss of Rs. 1200 crores during the year ending March, 1994 which is four times more as compared to the previous year;

(b) if so, what are the reasons therefor;

(c) how much loss was incurred on account of its overseas operations;

(d) whether it is also a fact that other banks are also incurring similar losses on account of their overseas operations and if so, what are the details thereof in respect of Indian Overseas Bank, Syndicate Bank, Punjab National Bank during the last three years and what are the reasons therefor; and

(e) whether Government propose to close down those loss incurring branches of Banks and if not, what remedial measures are proposed to be taken?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHAR MURTHY): (a) Bank of India is yet to finalise its annual accounts for the year ending March, 1994.

(b) and (c). Does not arise.

(d) Indian Overseas Bank, Syndicate Bank and Punjab National Bank are yet to finalise their annual accounts for the year ending March, 1994. In so far as Punjab National Bank is concerned, they were not having any overseas branch during the last 3 years. The net profit/loss which includes Indian and Overseas operations) of Indian Overseas Bank and Syndicate Bank during the last 3 years were as under:—

(Rs. in crores)

	March, 1991	March, 1992	March, 1993
Indian Overseas Bank	6.74	9.05	(−)752.74 loss
Syndicate Bank	2.84	4.46	(−)670.08 loss

The losses incurred by Indian Overseas Bank and Syndicate Bank in March, 1993 were due to high level of their non-performing assets and the application of Reserve Bank of India's prudential norms and income recognition and provisioning.

(e) RBI have advised banks having foreign operations to review the continuation of their overseas branches which are incurring losses. Bank of India have already closed their 4 branches in U.K.